

§ 258.2

Harmonization of Qualitative Requirements for Defense Equipment of United States and Allies.¹

§ 258.2 Background.

Cooperation in defense research and development between the United States and its Allies since World War II has been aimed primarily at assisting them, financially as well as technically, in developing indigenous capabilities. The economic status of certain of these Allies has now evolved beyond the point of warranting further financial assistance. However, the evolution of modern weapons of increasing cost and complexity makes the effective utilization of the aggregate of available technical resources a matter of concern to each nation.

§ 258.3 Policy.

(a) The United States will cooperate with its Allies to the greatest degree possible in the development of defense equipment, where such cooperation is in the overall best interests of the United States. The objectives of such cooperation will be:

(1) To make the best equipment available to the United States and its Allies in the most timely manner.

(2) To increase the effectiveness of the scientific and technical resources of the United States and its Allies, especially by eliminating unnecessary and wasteful duplication of effort.

(3) To achieve the maximum practicable degree of standardization of equipment.

(4) To create closer military ties among the Alliance.

(b) The United States will seek to enter in bilateral and multilateral agreements with its allies that will minimize waste resulting from purely duplicative R&D programs and, within the criteria stated in § 258.4, encourage the establishment of a mutually acceptable free, fully competitive market for defense R&D. To this effect, the DoD will:

(1) Continue to encourage the mutual development of technical capabilities,

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in particular through exchanges of significant information.

(2) Coordinate exploratory, advanced and engineering development plans to minimize wasteful duplication.

(3) Participate in joint development programs for major systems meeting harmonized requirements, whenever such programs meet the objectives and criteria listed in this part.

(4) Consistent with OSD guidance, consider promising foreign as well as U.S. R&D resources prior to placing research and development contracts.

(5) Facilitate availability of U.S. R&D resources to foreign procurement agencies, on terms similar to those governing availability of these resources to U.S. agencies.

(c) Necessary release of classified information will be in accordance with the provisions of the National Disclosure Policies.

§ 258.4 Criteria.

(a) The general criteria for such cooperation will be:

(1) Except for MAP "grant-aid countries," no appropriations available to the DoD will be used to finance the foreign research and development effort unless the program is aimed at satisfying a United States military need.

(2) Except for MAP "grant-aid countries," cooperative R&D programs will be funded by Service RDT&E funds.

(3) U.S. participation in jointly funded development programs will not be approved unless the United States receives design and production rights equivalent to those secured from domestic sources.

(b) International balance-of-payments considerations have resulted in the establishment of certain specific restrictions pertinent to DoD overseas activities, including those relating to foreign R&D. The screening and selection of proposed R&D projects must be consistent with these restrictions. In this connection, preference should be given to the following types of joint R&D undertakings:

(1) Projects that provide for the investment of foreign funds in U.S. R&D activities under mutually acceptable terms and conditions.

(2) Projects that offer the U.S. good prospects for the ultimate sale of the

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